

ABROAD

ZURICH

Whirligig

Not so long ago, European bankers, and their governments, were blaming their countries' economic troubles on the unbridled rise of the dollar in the world's money markets. If only, they argued, the dollar could be curbed by a firm hand in Washington, could be brought into a saner relation to other currencies, then European inflation would decline, industrial production would right itself, and the flight of capital toward high American interest rates would abate and finally cease. This was the position repeatedly advanced by the Europeans, most notably at the economic summit at Williamsburg last year. Now the tide has turned and the dollar is falling—not yet very far or very fast, but it has retreated, for instance, from the "threshold" exchange level of 2.60 West German marks and seems to be set for a steady downhill course. [See "Taxation, Inflation, and Money," by Tom Bethell, p. 23.] This is at any rate the opinion of the financial markets, which see in the fall of the dollar the same presages they attached to its rise, especially inflationary pressures and high interest rates. The decline of the dollar, in short, is being greeted here with the same dismay that accompanied its unchecked upward march over the past three years. All this is another way of saying that the economic health of the United States remains the absolute measure of everyone else's well-being. In their anxiety, however, Europeans sometimes stretch their logic too far. They are given to speculating freely on the political consequences of particular developments on the American economic scene, and are even saying now, for instance, that a collapse of the dollar would catapult a Democrat (just at present, Senator Hart) into the White House with unforeseeable consequences for American foreign policy. For if American economics are often a mystery to the European observer, at least in the short term, the same is true, *a fortiori*, for American politics.

NEW DELHI

A Few for the Seesaw

Marshal Dmitri Ustinov, Soviet defense minister and one of the most powerful men in the Kremlin, has just spent a week in the Indian capital to underline the importance Moscow attaches to its role in the Asian subcontinent. In case there was any doubt about this importance, Ustinov was accompanied by an entourage of sixty officials including Admiral Sergei Gorshkov, chief of the Soviet navy; it was the first such visit abroad by Soviet figures of this rank since Konstantin Chernenko assumed power. As usual, Mrs. Indira Gandhi, the Indian prime minister, used the occasion to ride her own particular seesaw between East and West. Although the Indian armed forces are firmly committed to Soviet equipment across the board, Mrs. Gandhi has shown interest in acquiring some sophisticated components from Western Europe for the construction of a new Indian fighter aircraft. This point was brought to Marshal Ustinov's attention, as well as a recent rapprochement between India and Pakistan over the Soviet position in Afghanistan. Another point that could not very

well be avoided was the fact that the United States has now replaced the Soviet Union as India's principal trading partner, leaving aside the rather considerable area of defense supply.

BUDAPEST

Westpolitik

The recent visit of Margaret Thatcher, the first ever to Hungary by a British prime minister, following that of Vice President Bush last fall, has brought new expectations to the leading "independent" of the Soviet bloc. Not that the Hungarians want their own liberal economic policies and relative prosperity to be contrasted too publicly with conditions in other Eastern satellites. They know better than to boast of their lot. The Hungarian Communist boss, Janos Kadar, is still the same man who was installed as the Soviet puppet after the tragic uprising in Budapest was crushed by Red Army tanks almost thirty years ago. But, as Western visitors to Budapest know, Hungary has at least part of one foot in the Western economic camp. It joined the IMF recently, for example, and Hungarian tourists are now able to spend hard currency when they travel in Western Europe. Chancellor Helmut Kohl of West Germany, Hungary's number-one Western trading partner, will also be paying a visit to Budapest this year. So will the prime ministers of Italy, Belgium, Sweden, and Norway. None of them is going to suggest any changes in Hungarian foreign policy or in the country's military line-up or anything else that would upset Moscow. The fact that everyone knows this is considered significant enough all by itself.

LONDON

With My Crossbow

The crossbow as a deadly weapon died out several centuries ago, except for James Bond movies, and the device has since become a collectors' item. Recently a group of crossbows made in the Renaissance was put up for sale here, highly worked instruments inlaid with ivory and brass and rare woods; they sold in the £6,000 to £8,000 (\$9,000 to \$12,000) range. Still, the crossbow has a more modern ring to it when one remembers it was once considered the ultimate weapon. In 1139, in fact, Pope Innocent II outlawed it as "hateful to God and unfit for Christians." Later this pronouncement was changed to permit its use against Muslims. Still later, Christians used it freely against one another, until finally, like the catapult and the mace before it, the crossbow was made obsolete by still more lethal weapons.



"...WITH LESS THAN ONE PERCENT OF THE VOTE IN, WE ARE PROJECTING COMRADE CHERENENKO THE WINNER...BACK TO YOU, BORIS!...."

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